

CR 89-179



State of Wisconsin \ DEPARTMENT OF EMPLOYE TRUST FUNDS

Gary I. Gates
Secretary

201 EAST WASHINGTON AVENUE
P.O. BOX 7931
MADISON, WISCONSIN 53707

STATE OF WISCONSIN)
) SS.
GROUP INSURANCE BOARD)

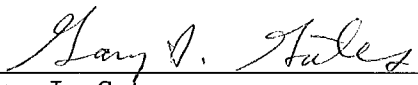
IN REPLY REFER TO:

I, Gary I. Gates, Secretary of the Wisconsin Department of Employee Trust Funds and custodian of the official records of the Wisconsin Group Insurance Board certify that the annexed rule, CR #89-179, relating to long-term care insurance, was duly approved and adopted by the Wisconsin Group Insurance Board on July 12, 1990.

I further certify that this copy has been compared by me with the original on file in this Department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, Wisconsin, this 15th day of August, 1991.

(NO SEAL)



Gary I. Gates
Secretary
Department of Employee Trust Funds

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STATE OF WISCONSIN
DEPARTMENT OF EMPLOYE TRUST FUNDS
OFFICE OF THE SECRETARY

ORDER ADOPTING RULE: The Wisconsin Group Insurance Board hereby promulgates ch. Grp 1 and ch. Grp 10, Wisconsin Administrative Code, relating to definitions for words and phrases used in all Grp rules and to the offering of long-term care insurance to state employes and annuitants.

CLEARINGHOUSE RULE #89-179

Analysis Prepared by the Wisconsin Department of Employee Trust Funds

General Summary of Rule. Section 40.55, Stats., provides for the offering of long-term care insurance policies approved by the Office of the Commissioner of Insurance and approved under rules promulgated by the Group Insurance Board.

This rule provides definitions and establishes the requirements of the Group Insurance Board relating to settings of care, duration of benefits, minimum daily benefits, medically necessary care, waiting period days, inflation protection, and renewability.

Authority for Rule. Section 40.55 (1), Stats.

Final Fiscal Estimate. The Department estimates that there will be no direct fiscal impact from this rule upon the state and anticipates no effect upon the fiscal liabilities or revenues of any county, city, village, town, school district, vocational, technical and adult education school district or sewerage district.

Final Regulatory Flexibility Analysis. The provisions of this rule have no effect on small businesses.

Copies of Rule and Contact Persons. Copies of this rule are available without cost from the Department of Employee Trust Funds, P.O. Box 7931, Madison, Wisconsin 53707. For questions about this rule, please call William Kox, Deputy Director, Health & Disability Benefits Program, (608) 266-0211.

TEXT OF RULE

SECTION 1. Chapter Grp 1, titled DEFINITIONS, is created.

SECTION 2. Grp 1.01 is created to read:

Grp 1.01 DEFINITIONS. The following are definitions for words and phrases used in all Grp rules:

(1) "Activities of daily living" means bathing, dressing, eating, transferring, and toileting.

(2) "Adult day care center" means an organization that provides a program which:

(a) Meets all applicable state or local laws;

(b) Is staffed by a director and a registered nurse;

(c) Has appropriate access to the services of a dietician, a licensed physical therapist, a licensed speech therapist, and a licensed occupational therapist;

(d) Maintains a client to staff ratio of 8 to one or less;

(e) Operates at least 5 days per week for not less than 6 hours nor more than 12 hours per day;

(f) Maintains a written record of medical services to clients; and,

(g) Has established procedures for obtaining appropriate aid in the event of a medical emergency.

(3) "Board" means the group insurance board created by s. 15.165 (2), Stats.

(4) "Custodial care" means care which can be performed by persons without professional medical training and which is primarily for the purpose of meeting the personal needs of the patient, including feeding and personal hygiene.

(5) "Department" means the department of employe trust funds created by s. 15.16., Stats.

(6) "Elimination period" means the number of days per lifetime for which an insured is receiving care otherwise covered in a nursing home, from a home health agency, or an adult day care center before a benefit is payable.

(7) "Home health agency" means an organization which:

(a) Primarily provides both skilled nursing and other therapeutic services to patients in their homes,

(b) Is certified or licensed as a home health care agency in the state in which it is located, or

(c) Is certified under Medicare.

(8) "Intermediate nursing care" means basic care including physical, emotional, social and other restorative services under periodic medical supervision. This nursing care requires the skill of the registered nurse in administration, including observation and recording of reactions and symptoms, and supervision of nursing care.

(9) "Level of care" means custodial care, intermediate nursing care, or skilled nursing care.

(10) "Nursing home" means a facility which is licensed as an intermediate or skilled care facility in the state in which it is located.

(11) "Policy" means any long-term care insurance policy offered pursuant to s. 40.55, Stats.

(12) "Skilled nursing care: means care furnished on a physician's orders which requires the skills of professional personnel such as a registered or a licensed practical nurse and is provided either directly by or under the supervision of these personnel.

SECTION 3. Chapter Grp 10, titled LONG-TERM CARE INSURANCE, is created.

SECTION 4. Grp 10.01 is created to read:

Grp 10.01 STANDARDS FOR LONG-TERM CARE POLICIES. (1) PURPOSE. This section establishes standards for each long-term care insurance policy available to state employees and state annuitants under s. 40.55, Stats., in order to do all of the following:

(a) Provide employees and annuitants meaningful protection for themselves, their spouses, and their parents from the potentially catastrophic costs of financing long-term care;

(b) Assist in managing the care which may be required; and

(c) Promote the use of non-institutional care settings as an alternative where institutional confinement would otherwise be necessary.

(2) REQUIREMENTS FOR LEVELS AND SETTINGS OF CARE AND DURATION OF BENEFITS.

Each policy shall provide coverage for all levels of care provided in a nursing home, through a home health care agency, or in an adult day care center for a minimum lifetime benefit of \$36,500. No policy may make payment for any benefit in any setting or at any level of care contingent upon the prior receipt of care in a different setting or at a different level of care.

(3) MINIMUM DAILY BENEFITS. Each policy shall have a minimum daily benefit of \$50 per day for care provided in a nursing home and shall provide a minimum of 75% of the daily nursing home benefit per day for care provided through a home health agency and 50% of the daily nursing home benefit for care provided through an adult day care center.

(4) MEDICALLY NECESSARY CARE. A policy may require that a physician certify that care provided be medically necessary according to a written plan of care or that the insured be unable to perform no more than three of five activities of daily living in order for a benefit for care to be payable;

however, no policy may exclude services, deny, or terminate a benefit on the grounds that there is no longer a potential for recovery from a covered condition.

(5) INFLATION PROTECTION. Each policy shall provide for one of the following:

(a) Any insured not receiving benefit payments may purchase additional coverage during an annual enrollment period established by the board in an amount not less than \$10 per day at the price then in effect for the insured's age group.

(b) Benefits shall increase automatically to a minimum of 10% per year for 10 years.

(c) Benefits shall be payable as a percentage of the cost of care.

(6) LIMITS ON ELIMINATION PERIODS. No policy may require more than a total of 120 days, whether consecutive or not, to be used before benefit payments begin.

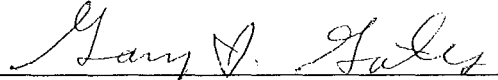
(7) RENEWABILITY. In the event that any policy ceases to be offered under the program of the board, or an insured individual loses eligibility for coverage, the insurer shall offer to all affected insureds an identical continuation policy. No policy or certificate may be canceled or non-renewed by the insurer for any reason other than non-payment of premium.

(END OF RULE TEXT)

Proposed Effective Date: This rule shall take effect on the first day of the month following publication of the final rule in the Wisconsin Administrative Register as provided in s. 227.22 (2) (intro.), Wis. Stats.

Signed at Madison, Wisconsin this 15th day of August, 1991.

WISCONSIN GROUP INSURANCE BOARD



Gary I. Gates

Secretary,

Wisconsin Department of Employee Trust Funds .

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State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

Gary I. Gates
Secretary

201 EAST WASHINGTON AVENUE
P.O. BOX 7931
MADISON, WISCONSIN 53707

August 15, 1991

IN REPLY REFER TO:

Mr. Gary Poulson
Office of the Revisor of Statutes
119 Martin Luther King Jr. Blvd., 2nd Floor
Madison, Wisconsin 53703

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RE: Clearinghouse Rule 89-179
Long-Term Care Insurance Rule

Revisor of Statutes
Bureau

Dear Mr. Poulson:

The enclosed certified copy of Clearinghouse Rule 89-179, concerning long-term care insurance rules promulgated by the Wisconsin Group Insurance Board, is submitted in accordance with s. 227.20, Stats., for publication in the Administrative Code.

A certified copy is also being filed with the Secretary of State.

As our Chief Counsel discussed with you, we accept the advice to include these rules with the "ETF" chapters of the Wisconsin Administrative Code, as originally suggested by the Legislative Council Staff Report, rather than create a new "GRP" portion of the Code.

We therefore request that you revise the numbering as follows: The chapters Grp 1 and 10 referred to in the rule-making would together, instead, be ch. ETF ch. 41, entitled "LONG-TERM CARE INSURANCE;" The ss. Grp 1.01 and 10.01, referred to in the rule-making would instead be ss. ETF 41.01 and 41.02, Wis. Admin. Code, respectively.

All references to "Grp" occur in the introductory clause, the four SECTION headings and the initial section numbers in the text. With one exception, there are no internal cross-references to be corrected. The exception is in the present s. Grp 1.01 (to be renumbered s. ETF 41.01). I suggest the following correction:

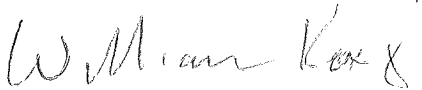
The following are definitions for words and phrases used in ~~all Grp~~
rules this chapter.

The certified copy enclosed has not been renumbered. To assist your printer, I also enclose a marked-up copy showing the changes to be made, a clean (and certified) copy with the above changes already made, and a 3.5 inch diskette containing the WordPerfect 5.1 file from which that version was produced, under the "CR89-179.rev" file name.

August 15, 1991
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If you have any questions about this rule, please call me or our Chief Counsel, Robert Weber at 6-5804.

Sincerely,



William Kox
Assistant Director
Health & Disability Benefits

Telephone: (608) 266-0211
FAX: (608) 267-4549

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